

Facility Name & ID Number Lexington of Schaumburg# 0036095 Report Period Beginning: 01/01/04 Ending: 12/31/04

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed bedsN/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>224</u>	Skilled (SNF)	<u>224</u>	<u>81,984</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>224</u>	TOTALS	<u>224</u>	<u>81,984</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF	<u>28,027</u>	<u>2,894</u>	<u>10,100</u>	<u>41,021</u>	8
9	SNF/PED					9
10	ICF	<u>26,454</u>	<u>2,796</u>	<u>1,206</u>	<u>30,456</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>54,481</u>	<u>5,690</u>	<u>11,306</u>	<u>71,477</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 87.18%

D. How many bed-hold days during this year were paid by Public Aid?

None (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)None

F. Does the facility maintain a daily midnight census?

YesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☒NO ☐Non-allowable costs have been
eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐NO ☒

I. On what date did you start providing long term care at this location?

Date started 4/1/90

J. Was the facility purchased or leased after January 1, 1978?

YES ☐Date New ConstructionNO ☒

K. Was the facility certified for Medicare during the reporting year?

YES ☒NO ☐

If YES, enter number

of beds certified 224 and days of care provided 8,989Medicare Intermediary AdminaStar Federal

IV. ACCOUNTING BASIS

ACCRUAL ☒

MODIFIED

CASH* ☐CASH* ☐

Is your fiscal year identical to your tax year?

YES ☒NO ☐Tax Year: 12/31/04 Fiscal Year: 12/31/04

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 3

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/04 Ending: 12/31/04

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7**	Adjusted Total 8	FOR OHF USE ONLY	
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10
	A. General Services										
1	Dietary	321,461	41,249	14,982	377,692		377,692		377,692		1
2	Food Purchase		301,889		301,889		301,889	(12,918)	288,971		2
3	Housekeeping	283,363	35,622		318,985		318,985	324	319,309		3
4	Laundry	61,342	22,290		83,632		83,632	(3,986)	79,646		4
5	Heat and Other Utilities			208,365	208,365		208,365	3,703	212,068		5
6	Maintenance	33,377		125,479	158,856		158,856	47,753	206,609		6
7	Other (specify):* Allocated Benefits							5,354	5,354		7
8	TOTAL General Services	699,543	401,050	348,826	1,449,419		1,449,419	40,230	1,489,649		8
	B. Health Care and Programs										
9	Medical Director			24,000	24,000		24,000		24,000		9
10	Nursing and Medical Records	3,597,092	218,570	47,194	3,862,856		3,862,856	62,539	3,925,395		10
10a	Therapy			734,231	734,231		734,231		734,231		10a
11	Activities	212,809	24,731	3,467	241,007		241,007		241,007		11
12	Social Services	78,982		2,257	81,239		81,239		81,239		12
13	Nurse Aide Training										13
14	Program Transportation										14
15	Other (specify):* Allocated Benefits							7,562	7,562		15
16	TOTAL Health Care and Programs	3,888,883	243,301	811,149	4,943,333		4,943,333	70,101	5,013,434		16
	C. General Administration										
17	Administrative	105,270		1,002,357	1,107,627		1,107,627	(897,099)	210,528		17
18	Directors Fees										18
19	Professional Services			85,980	85,980		85,980	(5,762)	80,218		19
20	Dues, Fees, Subscriptions & Promotions			14,034	14,034		14,034	971	15,005		20
21	Clerical & General Office Expenses	176,519	32,080	38,929	247,528		247,528	296,397	543,925		21
22	Employee Benefits & Payroll Taxes			728,535	728,535		728,535	12,812	741,347		22
23	Inservice Training & Education			915	915		915		915		23
24	Travel and Seminar			2,668	2,668		2,668	4,039	6,707		24
25	Other Admin. Staff Transportation			1,070	1,070		1,070	10,391	11,461		25
26	Insurance-Prop.Liab.Malpractice			207,226	207,226		207,226	4,626	211,852		26
27	Other (specify):* Allocated Benefits							45,620	45,620		27
28	TOTAL General Administration	281,789	32,080	2,081,714	2,395,583		2,395,583	(528,005)	1,867,578		28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	4,870,215	676,431	3,241,689	8,788,335		8,788,335	(417,674)	8,370,661		29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Lexington of Schaumburg

#0036095

Report Period Beginning: 01/01/04

Ending: 12/31/04

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			76,592	76,592		76,592	199,699	276,291			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			4,175	4,175		4,175	356,792	360,967			32
33	Real Estate Taxes							512,992	512,992			33
34	Rent-Facility & Grounds			1,707,060	1,707,060		1,707,060	(1,705,568)	1,492			34
35	Rent-Equipment & Vehicles			8,805	8,805		8,805	3,146	11,951			35
36	Other (specify):*											36
37	TOTAL Ownership			1,796,632	1,796,632		1,796,632	(632,939)	1,163,693			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		261,809		261,809		261,809		261,809			39
40	Barber and Beauty Shops			23,616	23,616		23,616		23,616			40
41	Coffee and Gift Shops			14,100	14,100		14,100		14,100			41
42	Provider Participation Fee			122,976	122,976		122,976		122,976			42
43	Other (specify):* Nonallowable Costs			127,328	127,328		127,328	(127,328)				43
44	TOTAL Special Cost Centers		261,809	288,020	549,829		549,829	(127,328)	422,501			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	4,870,215	938,240	5,326,341	11,134,796		11,134,796	(1,177,941)	9,956,855			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

**See schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.
 In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	1	2	3	
	Amount	Refer-	OHF USE	
		ence	ONLY	
NON-ALLOWABLE EXPENSES				
1 Day Care	\$		\$	1
2 Other Care for Outpatients				2
3 Governmental Sponsored Special Programs				3
4 Non-Patient Meals	(106)	2		4
5 Telephone, TV & Radio in Resident Rooms	(1,548)	43		5
6 Rented Facility Space				6
7 Sale of Supplies to Non-Patients				7
8 Laundry for Non-Patients	(3,986)	4		8
9 Non-Straightline Depreciation	(6,451)	30		9
10 Interest and Other Investment Income	(24,287)	32		10
11 Discounts, Allowances, Rebates & Refunds				11
12 Non-Working Officer's or Owner's Salary				12
13 Sales Tax	(1,207)	43		13
14 Non-Care Related Interest				14
15 Non-Care Related Owner's Transactions				15
16 Personal Expenses (Including Transportation)				16
17 Non-Care Related Fees				17
18 Fines and Penalties	(1,100)	43		18
19 Entertainment				19
20 Contributions				20
21 Owner or Key-Man Insurance				21
22 Special Legal Fees & Legal Retainers				22
23 Malpractice Insurance for Individuals				23
24 Bad Debt	(59,181)	43		24
25 Fund Raising, Advertising and Promotional	(15,673)	43		25
26 Income Taxes and Illinois Personal Property Replacement Tax	(4,023)	43		26
27 Nurse Aide Training for Non-Employees				27
28 Yellow Page Advertising				28
29 Other-Attach Schedule See attached Schedule A	94,315			29
30 SUBTOTAL (A): (Sum of lines 1-29)	\$ (23,247)		\$	30

OHF USE ONLY						
48		49	50	51	52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

	1	2	
	Amount	Reference	
31 Non-Paid Workers-Attach Schedule*	\$		31
32 Donated Goods-Attach Schedule*			32
33 Amortization of Organization & Pre-Operating Expense			33
34 Adjustments for Related Organization Costs (Schedule VII)	(1,154,694)		34
35 Other- Attach Schedule			35
36 SUBTOTAL (B): (sum of lines 31-35)	\$ (1,154,694)		36
(sum of SUBTOTALS			
37 TOTAL ADJUSTMENTS (A) and (B))	\$ (1,177,941)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification.
 (See instructions.)

	1	2	3	4	
	Yes	No	Amount	Reference	
38 Medically Necessary Transport.		x	\$		38
39					39
40 Gift and Coffee Shops		x			40
41 Barber and Beauty Shops		x			41
42 Laboratory and Radiology		x			42
43 Prescription Drugs		x			43
44 Exceptional Care Program		x			44
45 Other-Attach Schedule		x			45
46 Other-Attach Schedule		x			46
47 TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.

Provider # 0036095

1/1/04 - 12/31/04

Schedule A

Schedule VI. Adjustment detail

Line 29, Other

Description	Amount	Reference
Deferred maintenance amortization	180	6
Nonallowable collections	(24,155)	19
Nonallowable out of period legal fees	(1,029)	19
Offset miscellaneous income	(41)	21
Nonallowable unclaimed property expense	(850)	21
Real estate refund costs	473	33
Nonallowable radiology expense	(8,024)	43
Nonallowable laboratory expense	(5,560)	43
Nonallowable loss on disposal of asset	(29,105)	43
Nonallowable personal item replacement	(1,930)	43
Nonallowable gain on fmV of interest rate swap	164,356	43
Total	<u>94,315</u>	

See Accountants' Compilation Report

Lexington of SchaumburgID# 0036095Report Period Beginning: 01/01/04Ending: 12/31/04

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference
1		\$	1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			25
26			26
27			27
28			28
29			29
30			30
31			31
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49	Total	0	49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/04

Ending:

12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(106)	0	0	0	0	0	0	0	0	0	0	(106)	2
3	Housekeeping	0	0	324	0	0	0	0	0	0	0	0	324	3
4	Laundry	(3,986)	0	0	0	0	0	0	0	0	0	0	(3,986)	4
5	Heat and Other Utilities	0	0	3,703	0	0	0	0	0	0	0	0	3,703	5
6	Maintenance	0	0	47,573	0	0	0	0	0	0	0	0	47,573	6
7	Other (specify):*	0	0	5,354	0	0	0	0	0	0	0	0	5,354	7
8	TOTAL General Services	(4,092)	0	56,954	0	0	0	0	0	0	0	0	52,862	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	62,539	0	0	0	0	0	0	0	0	62,539	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	7,562	0	0	0	0	0	0	0	0	7,562	15
16	TOTAL Health Care and Programs	0	0	70,101	0	0	0	0	0	0	0	0	70,101	16
	C. General Administration													
17	Administrative	0	0	105,258	(1,002,357)	0	0	0	0	0	0	0	(897,099)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	4,059	19,172	0	0	0	0	0	0	0	0	23,231	19
20	Fees, Subscriptions & Promotions	0	0	971	0	0	0	0	0	0	0	0	971	20
21	Clerical & General Office Expenses	0	261	297,027	0	0	0	0	0	0	0	0	297,288	21
22	Employee Benefits & Payroll Taxes	0	0	0	0	0	0	0	0	0	0	0	0	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	4,039	0	0	0	0	0	0	0	0	4,039	24
25	Other Admin. Staff Transportation	0	0	0	10,391	0	0	0	0	0	0	0	10,391	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	4,626	0	0	0	0	0	0	0	4,626	26
27	Other (specify):*	0	0	0	45,620	0	0	0	0	0	0	0	45,620	27
28	TOTAL General Administration	0	4,320	426,467	(941,720)	0	0	0	0	0	0	0	(510,933)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(4,092)	4,320	553,522	(941,720)	0	0	0	0	0	0	0	(387,970)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/04

Ending:

12/31/04

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	D. Ownership													
30	Depreciation	(6,451)	174,745	0	31,405	0	0	0	0	0	0	0	199,699	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	(24,287)	380,699	0	380	0	0	0	0	0	0	0	356,792	32
33	Real Estate Taxes	0	507,060	0	1,650	0	0	0	0	0	0	0	508,710	33
34	Rent-Facility & Grounds	0	(1,707,060)	0	1,492	0	0	0	0	0	0	0	(1,705,568)	34
35	Rent-Equipment & Vehicles	0	0	0	3,146	0	0	0	0	0	0	0	3,146	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	TOTAL Ownership	(30,738)	(644,556)	0	38,073	0	0	0	0	0	0	0	(637,221)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	(82,732)	23	0	0	0	0	0	0	0	0	0	(82,709)	43
44	TOTAL Special Cost Centers	(82,732)	23	0	0	0	0	0	0	0	0	0	(82,709)	44
	GRAND TOTAL COST													
45	(sum of lines 29, 37 & 44)	(117,562)	(640,213)	553,522	(903,647)	0	0	0	0	0	0	0	(1,107,900)	45

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES	
Name	Ownership %	Name	City	Name	Type of Business
See attached Schedule B		See attached Schedule B		Sambell of Schaumburg	
				Ltd. Ptsp.	Schaumburg Real estate ptsp.
				Royal Mgmt. Corp.	Lombard Mgmt. Co.
				Lexington Financial	
				Services, L.L.C.	Lombard Finance Co.

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V	2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	19 Professional fees	\$	Sambell of Schaumburg Limited Partnership	**	\$ 4,059	\$ 4,059	1
2	V	21 Bank charges		Sambell of Schaumburg Limited Partnership	**	85	85	2
3	V	21 Office supplies		Sambell of Schaumburg Limited Partnership	**	176	176	3
4	V	30 Depreciation		Sambell of Schaumburg Limited Partnership	**	174,745	174,745	4
5	V	32 Amortization of mortgage costs		Sambell of Schaumburg Limited Partnership	**	6,902	6,902	5
6	V	32 Interest expense		Sambell of Schaumburg Limited Partnership	**	373,797	373,797	6
7	V	33 Property taxes		Sambell of Schaumburg Limited Partnership	**	507,060	507,060	7
8	V	34 Rental expense	1,707,060	Sambell of Schaumburg Limited Partnership	**		(1,707,060)	8
9	V	43 State replacement tax		Sambell of Schaumburg Limited Partnership	**	23	23	9
10	V	43 Unrealized gain on fair		Sambell of Schaumburg Limited Partnership	**			10
11	V	value of an interest rate swap		Sambell of Schaumburg Limited Partnership	**	(164,356)	(164,356)	11
12	V							12
13	V	**The owners of Lexington Health Care Center of Schaumburg, Inc. own 100% of Sambell of Schaumburg Limited Partnership.						13
14	Total		\$ 1,707,060			\$ 902,491	\$ * (804,569)	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/04

Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒

YES

☐

NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	3 Housekeeping supplies	\$	Royal Management Corp.	**	\$ 324	\$ 324 15
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	3,521	3,521 16
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	93	93 17
18	V	5 Utilities - maintenance office		Royal Management Corp.	**	89	89 18
19	V	6 Management allocation - salaries		Royal Management Corp.	**	44,272	44,272 19
20	V	6 Repairs & maintenance		Royal Management Corp.	**	3,301	3,301 20
21	V	7 Management allocation - employee benefits		Royal Management Corp.	**	5,354	5,354 21
22	V	10 Management allocation - salaries		Royal Management Corp.	**	62,539	62,539 22
23	V	15 Management allocation - employee benefits		Royal Management Corp.	**	7,562	7,562 23
24	V	17 Management allocation - salaries		Royal Management Corp.	**	105,258	105,258 24
25	V	19 Computer consultant & supplies		Royal Management Corp.	**	11,783	11,783 25
26	V	19 Professional fees		Royal Management Corp.	**	7,389	7,389 26
27	V	20 Dues & subscriptions		Royal Management Corp.	**	871	871 27
28	V	20 Licenses, permits & inspections		Royal Management Corp.	**	23	23 28
29	V	20 Advertising - help wanted		Royal Management Corp.	**	77	77 29
30	V	21 Management allocation - salaries		Royal Management Corp.	**	272,001	272,001 30
31	V	21 Bank charges		Royal Management Corp.	**	2,164	2,164 31
32	V	21 Office supplies & printing		Royal Management Corp.	**	9,192	9,192 32
33	V	21 Postage		Royal Management Corp.	**	3,766	3,766 33
34	V	21 Telephone		Royal Management Corp.	**	9,904	9,904 34
35	V	24 Travel & seminar		Royal Management Corp.	**	4,039	4,039 35
36	V						
37	V						
38	V	** Certain owners of Lexington Health Care Center of Schaumburg, Inc. Own 100% of Royal Management Corp.					
39	Total		\$			\$ 553,522	\$ * 553,522 39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/04

Ending: 12/31/04

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	25 Auto expense	\$	Royal Management Corp.	**	\$ 10,391	\$ 10,391
16	V	26 Insurance general		Royal Management Corp.	**	4,626	4,626
17	V	27 Management allocation - employee benefits		Royal Management Corp.	**	45,620	45,620
18	V	30 Depreciation - vehicles		Royal Management Corp.	**	3,370	3,370
19	V	30 Depreciation - leasehold improv.		Royal Management Corp.	**	7,307	7,307
20	V	30 Depreciation - equipment		Royal Management Corp.	**	20,728	20,728
21	V	32 Interest		Royal Management Corp.	**	380	380
22	V	33 Property taxes		Royal Management Corp.	**	1,650	1,650
23	V	34 Rent expense		Royal Management Corp.	**	1,492	1,492
24	V	35 Equipment rental		Royal Management Corp.	**	3,146	3,146
25	V	17 Management fees	1,002,357	Royal Management Corp.	**		(1,002,357)
26	V						
27	V						
28	V						
29	V						
30	V						
31	V						
32	V						
33	V						
34	V						
35	V						
36	V						
37	V						
38	V	** Certain owners of Lexington Health Care Center of Schaumburg, Inc. Own 100% of Royal Management Corp.					
39	Total		\$ 1,002,357			\$ 98,710	\$ * (903,647)

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.
Provider # 0036095
1/1/04 - 12/31/04

Schedule B

VII. Related Parties

Owners

<u>Name</u>	<u>Ownership %</u>
James Samatas Discretionary Trust	22.33%
John Samatas Discretionary Trust	22.33%
Cynthia Thiem Discretionary Trust	22.34%
Jeffrey J. Bell Revocable Trust	8.25%
Lawrence W. Bell Revocable Trust	8.25%
David S. Bell Revocable Trust	8.25%
David S. Bell 2001 Trust	2.75%
Jeffrey J. Bell 2001 Trust	2.75%
Lawrence W. Bell 2001 Trust	2.75%

Related Nursing Homes

City

Lexington Health Care Center of Lombard, Inc.	Lombard
Lexington Health Care Center of Bloomingdale, Inc.	Bloomingdale
Lexington Health Care Center of Chicago Ridge, Inc.	Chicago Ridge
Lexington Health Care Center of Elmhurst, Inc.	Elmhurst
Lexington Health Care Center of LaGrange, Inc.	LaGrange
Lexington Health Care Center of Lake Zurich, Inc.	Lake Zurich
Lexington Health Care Center of Streamwood, Inc.	Streamwood
Lexington Health Care Center of Wheeling, Inc.	Wheeling
Lexington Health Care Center of Orland Park, Inc.	Orland Park

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Schaumburg # 0036095 Report Period Beginning: 01/01/04 Ending: 12/31/04

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	James Samatas	Owner/Officer	Administrative	22.33%	See Schedule C	4	8%	Salary	\$ 35,026	L17, C7	1
2	John Samatas	Owner/Officer	Admin/Plant Ops	22.33%	See Schedule C	3	6%	Salary	25,019	L17, C7	2
3	Cynthia Thiem	Owner/Officer	Administrative	22.34%	See Schedule C	3	6%	Salary	25,019	L17, C7	3
4	George Samatas	Officer	Administrative	0.00%	See Schedule C	1	3%	Salary	6,094	L17, C7	4
5	Jason Samatas	VP of Operations	Administrative	0.00%	See Schedule C	6	12%	Salary	14,100	L17, C7	5
6											6
7											7
8						All individuals work in excess of 40 hours per week.					8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 105,258		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.**Provider #****1/1/04 - 12/31/04****Schedule C**

VII. Related Parties

C. Statement of Compensation and Other Payments to Owners, Relatives
and Members of the Board of Directors

5. Compensation Received From Other Nursing Homes

<u>Name of facility</u>	<u>John Samatas</u>	<u>James Samatas</u>	<u>Cynthia Thiem</u>	<u>George Samatas</u>	<u>Jason Samatas</u>	<u>Total</u>
Lexington Health Care Center of Bloomingdale, Inc.	19,211	26,895	19,211	4,679	10,827	80,823
Lexington Health Care Center of Chicago Ridge, Inc.	25,019	35,026	25,019	6,094	14,100	105,258
Lexington Health Care Center of Elmhurst, Inc.	16,754	23,455	16,754	4,081	9,442	70,486
Lexington Health Care Center of LaGrange, Inc.	12,174	17,044	12,174	2,965	6,861	51,218
Lexington Health Care Center of Lake Zurich, Inc.	23,790	33,306	23,790	5,795	13,408	100,089
Lexington Health Care Center of Lombard, Inc.	25,019	35,026	25,019	6,094	14,100	105,258
Lexington Health Care Center of Orland Park, Inc.	30,154	42,219	30,154	7,346	16,995	126,868
Lexington Health Care Center of Streamwood, Inc.	25,019	35,026	25,019	6,094	14,100	105,258
Lexington Health Care Center of Wheeling, Inc.	24,684	34,557	24,684	6,012	13,912	103,849
Total	201,824	282,554	201,824	49,160	113,745	849,107

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/04Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization

Royal Management Corp.

Street Address

665 W. North Avenue, Suite 500

City / State / Zip Code

Lombard, IL 60148

Phone Number

(630) 458-4700

Fax Number

(630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets.

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	3	Housekeeping supplies	Bed Days	743,346	10	\$ 2,938	\$	81,984	\$ 324	1
2	5	Utilities - gas & electric	Bed Days	743,346	10	31,920		81,984	3,521	2
3	5	Utilities - water & sewer	Bed Days	743,346	10	846		81,984	93	3
4	5	Utilities - maintenance office	Bed Days	743,346	10	808		81,984	89	4
5	6	Management allocation - salaries	Bed Days	743,346	10	401,410	401,410	81,984	44,272	5
6	6	Repairs & maintenance	Bed Days	743,346	10	29,930		81,984	3,301	6
7	7	Management allocation - employee	Bed Days	743,346	10	48,540		81,984	5,354	7
8	10	Management allocation - salaries	Bed Days	743,346	10	567,037	567,037	81,984	62,539	8
9	15	Management allocation - employee	Bed Days	743,346	10	68,569		81,984	7,562	9
10	17	Management allocation - salaries	Bed Days	743,346	10	954,365	954,365	81,984	105,258	10
11	19	Computer consultant & supplies	Bed Days	743,346	10	106,838		81,984	11,783	11
12	19	Professional fees	Bed Days	743,346	10	66,993		81,984	7,389	12
13	20	Dues & subscriptions	Bed Days	743,346	10	7,893		81,984	871	13
14	20	Licenses, permits & inspections	Bed Days	743,346	10	212		81,984	23	14
15	20	Advertising - help wanted	Bed Days	743,346	10	698		81,984	77	15
16	21	Management allocation - salaries	Bed Days	743,346	10	2,466,223	2,466,223	81,984	272,001	16
17	21	Bank charges	Bed Days	743,346	10	19,618		81,984	2,164	17
18	21	Office supplies & printing	Bed Days	743,346	10	83,348		81,984	9,192	18
19	21	Postage	Bed Days	743,346	10	34,142		81,984	3,766	19
20	21	Telephone	Bed Days	743,346	10	89,797		81,984	9,904	20
21	24	Travel & seminar	Bed Days	743,346	10	36,624		81,984	4,039	21
22										22
23										23
24										24
25	TOTALS					\$ 5,018,749	\$ 4,389,035		\$ 553,522	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/04Ending: 12/31/04

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization

Royal Management Corp.

Street Address

665 W. North Avenue, Suite 500

City / State / Zip Code

Lombard, IL 60148

Phone Number

(630) 458-4700

Fax Number

(630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets.

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	25	Auto expense	Bed Days	743,346	10	\$ 94,217	\$ 81,984	\$ 10,391	1
2	26	Insurance general	Bed Days	743,346	10	41,943	81,984	4,626	2
3	27	Management allocation - employee	Bed Days	743,346	10	413,634	81,984	45,620	3
4	30	Depreciation - vehicles	Bed Days	743,346	10	30,557	81,984	3,370	4
5	30	Depreciation - leasehold improv.	Bed Days	743,346	10	66,255	81,984	7,307	5
6	30	Depreciation - equipment	Bed Days	743,346	10	187,937	81,984	20,728	6
7	32	Interest	Bed Days	743,346	10	3,446	81,984	380	7
8	33	Property taxes	Bed Days	743,346	10	14,963	81,984	1,650	8
9	34	Rent expense	Bed Days	743,346	10	13,526	81,984	1,492	9
10	35	Equipment rental	Bed Days	743,346	10	28,527	81,984	3,146	10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 895,005	\$	\$ 98,710	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg# 0036095

Report Period Beginning:

01/01/04

Ending:

12/31/04

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1		2		3		4		5		6		7		8		9		10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense								
		YES	NO				Original	Balance											
	A. Directly Facility Related																		
	Long-Term																		
1	Lexington Financial	X		Mortgage	Varies	04/25/01	\$ 6,200,000	\$ 5,746,250	02/01/2026	Variable	\$ 373,797	1							
2	Services, L.L.C.											2							
3												3							
4												4							
5												5							
	Working Capital																		
6	LaSalle Bank N.A.		X	Working capital	Varies	04/06/02	1,350,000	400,000	5/31/2005	Prime	4,175	6							
7												7							
8												8							
9	TOTAL Facility Related							\$ 7,550,000	\$ 6,146,250			\$ 377,972	9						
	B. Non-Facility Related*																		
10								Amortization of loan costs			6,902	10							
11								Interest income offset			(24,287)	11							
12								Allocated from management company			380	12							
13												13							
14	TOTAL Non-Facility Related							\$	\$			\$ (17,005)	14						
15	TOTALS (line 9+line14)							\$ 7,550,000	\$ 6,146,250			\$ 360,967	15						

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A Line # N/A

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.) SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

Facility Name & ID Number **Lexington of Schaumburg**# **0036095**Report Period Beginning: **01/01/04**

Ending:

12/31/04**IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)****B. Real Estate Taxes**

1. Real Estate Tax accrual used on 2003 report.		Important , please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	\$	426,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		Allocated from management company	\$	1,650	
		2003	\$	436,005	2
3. Under or (over) accrual (line 2 minus line 1).			\$	11,655	3
4. Real Estate Tax accrual used for 2004 report. (Detail and explain your calculation of this accrual on the lines below.)			\$	498,000	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. (Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)			\$	4,282	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund.					
TOTAL REFUND \$ 1,418 For 1997 Tax Year. (Attach a copy of the real estate tax appeal board's decision.)			\$	(945)	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.			\$	512,992	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:	1999	393,271	8		FOR OHF USE ONLY	
	2000	402,925	9			
	2001	407,968	10	13	FROM R. E. TAX STATEMENT FOR 2003	\$
	2002	415,699	11	14	PLUS APPEAL COST FROM LINE 5	\$
	2003	436,005	12	15	LESS REFUND FROM LINE 6	\$
2004 tax assessment:		2,815,345		16	AMOUNT TO USE FOR RATE CALCULATION	\$
Est. reduction for appeal		0.91				
Equalization factor:		2.4598				
Tax rate:		0.07906				
Est. 2004 tax payable '05		498,230				

Use: 498,000

NOTES:

1. Please indicate a negative number by use of brackets(). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

SEE ACCOUNTANTS' COMPILATION REPORT

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2003 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2003 real estate tax costs, as well as copies of your original real estate tax bills for calendar 2003.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2003 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2004 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2003 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington of Schaumburg COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0036095

CONTACT PERSON REGARDING THIS REPORT Susan Rojek

TELEPHONE (630) 458-4700 FAX #: (630) 458-4796

A. Summary of Real Estate Tax Costs

Enter the tax index number and real estate tax assessed for 2003 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2003.

(A)	(B)	(C)	(D)
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	<u>Tax Applicable to Nursing Home</u>
1. <u>07-27-201-039-000</u>	<u>Land & Building</u>	\$ <u>436,006.00</u>	\$ <u>436,006.00</u>
2. <u>Royal Management Corp. (Samvest of Lombard II)</u>		\$ _____	\$ _____
3. <u>05-01-202-019</u>	<u>Land & Building</u>	\$ <u>187,600.00</u>	\$ <u>1,650.00</u>
4. _____	_____	\$ _____	\$ _____
5. _____	_____	\$ _____	\$ _____
6. _____	_____	\$ _____	\$ _____
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>623,606.00</u>	\$ <u>437,656.00</u>

B. Real Estate Tax Cost Allocation:

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used)

C. Tax Bills

Attach a copy of the original 2003 tax bills which were listed in Section A to this statement. Be sure to use the 2003 tax bill which is normally paid during 2004

SEE ACCOUNTANTS' COMPILATION REPORT

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 85,541
 B. General Construction Type: Exterior Concrete Block
 Frame Steel
 Number of Stories 3

C. Does the Operating Entity?
 (a) Own the Facility
 (b) Rent from a Related Organization.
 (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity?
 (a) Own the Equipment
 (b) Rent equipment from a Related Organization.
 (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground: (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized?
 YES
 NO
 If so, please complete the following:

1. Total Amount Incurred: N/A
 2. Number of Years Over Which it is Being Amortized: N/A
 3. Current Period Amortization: N/A
 4. Dates Incurred: N/A

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	Resident Care	230,000	1988	\$ 211,532	1
2	Mgmt Co.		2002	17,683	2
3	TOTALS	230,000		\$ 229,215	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar**

1	2	3	4	5	6	7	8	9	
Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
4	215	1990	1990	\$ 5,865,346	\$	35	\$ 167,581	\$ 167,581	\$ 2,518,993
5	9	1995	1995	146,217	4,178	35	4,178		35,514
6									
7									
8									
Improvement Type**									
9	Building improvements	1991		3,521		10			3,521
10	Building improvements	1992		859	25	35	25		309
11	Land improvements	1992		5,764		20	288	288	3,600
12	Land improvements	1992		5,000		20	250	250	2,875
13	Building improvements	1993		12,368		10	136	136	12,368
14	Fan coil units in offices	1996		5,149	147	35	147		1,250
15	Basement rehab	1997		14,697	1,470	10	1,470		11,514
16	Brick	1997		1,500	43	35	43		319
17	Dining room rehab	1997		6,422	642	10	642		4,708
18	Parking lot repave and restripe	1998		2,777	278	10	278		1,807
19	Wiring	1998		3,667	367	10	367		2,385
20	Retile 2nd and 3rd floor corridors	1998		10,100	1,010	10	1,010		6,565
21	Plumbing for HVAC	1998		2,263		5			2,263
22	Lobby-floor tile	1999		7,478	748	10	748		4,363
23	Wallpaper-labor	1999		9,705	971	10	971		5,579
24	New patio	1999		19,039	1,269	15	1,269		6,664
25	New pay phone/wiring	1999		2,975	298	10	298		1,564
26	Roof repairs	2000		9,625	963	10	963		4,330
27	Water heater	2000		6,669	669	10	669		3,010
28	Automatic door	2000		1,300	130	10	130		585
29	Rehab project - paint resident rooms, carpet hallways, and tile	2000		52,760	5,276	10	5,276		23,742
30	Water heater and storage tanks	2001		12,102	1,210	10	1,210		4,840
31	Garbage area	2001		4,788	479	20	479		1,676
32									
33									
34									
35									
36									

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 12A

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning:

01/01/04

Ending:

12/31/04

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation	
37	Roof	2002	\$ 25,600	\$ 2,560	10	\$ 2,560	\$	\$ 5,973	37
38	Facility rehab - paint resident rooms, carpet hallways, and tile	2002	327,253	16,363	20	16,363		55,462	38
39	Elevator electronic curtain	2002	4,500	450	10	450		1,125	39
40	Elevator upgrade	2002	5,471	547	10	547		1,368	40
41	Painting and decorating	2003	13,477	1,348	10	1,348		1,348	41
42	Electrical improvements	2003	844	42	20	42		46	42
43	Repave parking lot	2004	28,840	300	40	300		300	43
44	Dining room remodel - paint	2004	11,387	380	20	380		380	44
45									45
46									46
47									47
48									48
49									49
50									50
51	Land improvements - management company	2002	27,870		15	1,843	1,843	5,419	51
52	Building - management company	2002	216,828		40	5,299	5,299	15,810	52
53	HVAC, electrical, security system - management company	2003	2,149		30	148	148	204	53
54	Key card system - management company	2004	338		20	17	17	17	54
55									55
56									56
57									57
58									58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		\$ 6,876,648	\$ 42,163		\$ 217,725	\$ 175,562	\$ 2,751,796	70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 262,089	\$ 29,754	\$ 29,793	\$ 39	5-10 years	\$ 132,225	71
72	Current Year Purchases	100,355	4,675	4,675		5-10 years	4,675	72
73	Fully Depreciated Assets	503,305					503,305	73
74	Allocated from management company	207,982		20,728	20,728		86,865	74
75	TOTALS	\$ 1,073,731	\$ 34,429	\$ 55,196	\$ 20,767		\$ 727,070	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				\$	\$	\$	\$		\$	76
77										77
78										78
79	Allocated from management company			43,526		3,370	3,370		29,907	79
80	TOTALS			\$ 43,526	\$	\$ 3,370	\$ 3,370		\$ 29,907	80

E. Summary of Care-Related Assets

	1	2	
	Reference	Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 8,223,120	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 76,592	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 276,291	83 **
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 199,699	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 3,508,773	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92	Therapy room and Reception	\$	92
93	Rehab	94,367	93
94			94
95		\$ 94,367	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions.

☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Original Lease Date	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6	Allocated from management company				1,492			6
7	TOTAL				\$ 1,492			7

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: ☐ YES ☐ NO Terms: *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

☐ YES ☒ NO

16. Rental Amount for movable equipment: \$ 11,951 Description: Copier - \$8,356; Fax - \$270; Postage Meter - \$179; Allocated from management company \$3,146
(Attach a schedule detailing the breakdown of movable equipment)

10. Effective dates of current rental agreement:

Beginning
Ending

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending Annual Rent

12. /2005 \$
13. /2006 \$
14. /2007 \$

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18					18
19					19
20					20
21	TOTAL		\$	\$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

<p>1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?</p> <p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. CLASSROOM PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER AIDE _____</p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER AIDE _____</p>
---	--	---

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
 (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
 (c) For in-house training programs only. Do not include fringe benefits.
 (d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$ _____

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
 (f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.
 SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	L10A, C3	hrs	\$	3,852	\$ 275,420	\$	3,852	\$ 275,420	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		612	42,880		612	42,880	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		6,949	415,931		6,949	415,931	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescripts				261,809		261,809	9
	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			\$	11,413	\$ 734,231	\$ 261,809	11,413	\$ 996,040	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 482,789	\$ 488,314	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 732,000)	1,591,118	1,591,118	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	76,268	76,268	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)			8
9	Other(specify):			9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,150,175	\$ 2,155,700	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	33,897	33,897	12
13	Land		229,215	13
14	Buildings, at Historical Cost		5,865,346	14
15	Leasehold Improvements, at Historical Cost	740,985	1,011,302	15
16	Equipment, at Historical Cost	401,244	1,117,257	16
17	Accumulated Depreciation (book methods)	(375,783)	(3,508,773)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify: Construction in progress)	94,367	94,367	22
23	Other(specify): See attached Schedule E		147,815	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 894,710	\$ 4,990,426	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 3,044,885	\$ 7,146,126	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 361,694	\$ 361,694	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable	400,000	400,000	29
30	Accrued Salaries Payable	374,419	374,419	30
31	Accrued Taxes Payable (excluding real estate taxes)	6,372	6,372	31
32	Accrued Real Estate Taxes(Sch.IX-B)		498,000	32
33	Accrued Interest Payable		43,960	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See attached Schedule E	417,112	101,382	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 1,559,597	\$ 1,785,827	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		5,746,250	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43	Interest rate swap liability		322,208	43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$ 6,068,458	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 1,559,597	\$ 7,854,285	46
47	TOTAL EQUITY (page 18, line 24)	\$ 1,485,288	\$ (708,159)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 3,044,885	\$ 7,146,126	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington of Schaumburg
Provider # 0036095
1/1/04 - 12/31/04

Schedule E

XV. Balance Sheet

B. Long-Term Assets

23. Other Long-Term Assets

<u>Description</u>	<u>Operating</u>	<u>Consolidation</u>
Unamortized mortgage costs	-	147,815
Total Line 23	-	147,815

C. Current Liabilities

36. Other Current Liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Accrued rent	317,144	
Accrued management fees	35,743	35,743
Accrued 401 (k) contribution	31,882	31,882
Bond withholding	545	545
Other accrued expenses	31,798	33,212
Total line 36	417,112	101,382

XVII. Income Statement

E. Other Revenue

28. Other Revenue

<u>Description</u>	<u>Amount</u>
Miscellaneous income	41
Vending machine commissions	400
Total line 28	441

See Accountants' Compilation Report

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ 1,532,508	1
2	Restatements (describe):		2
3	Post closing adjustments	(167,302)	3
4			4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ 1,365,206	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	390,082	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(270,000)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 120,082	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ 1,485,288	24 *

Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 19

Facility Name & ID Number Lexington of Schaumburg

0036095

Report Period Beginning: 01/01/04

Ending:

12/31/04

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

1			
	Revenue	Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 10,457,133	1
2	Discounts and Allowances for all Levels	(727,966)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 9,729,167	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,195,446	6
7	Oxygen	1,687	7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,197,133	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop	18,437	12
13	Barber and Beauty Care	28,827	13
14	Non-Patient Meals	106	14
15	Telephone, Television and Radio	1	15
16	Rental of Facility Space		16
17	Sale of Drugs	423,958	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	20,601	19
20	Radiology and X-Ray	11,395	20
21	Other Medical Services	65,920	21
22	Laundry	3,986	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 573,231	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	24,906	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 24,906	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	See attached Schedule E	441	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 441	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 11,524,878	30

2			
	Expenses	Amount	
A. Operating Expenses			
31	General Services	1,449,419	31
32	Health Care	4,943,333	32
33	General Administration	2,395,583	33
B. Capital Expense			
34	Ownership	1,796,632	34
C. Ancillary Expense			
35	Special Cost Centers	426,853	35
36	Provider Participation Fee	122,976	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 11,134,796	40
41	Income before Income Taxes (line 30 minus line 40)**	390,082	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 390,082	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.
This entity files a cash basis return.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number **Lexington of Schaumburg**# **0036095**Report Period Beginning: **01/01/04**Ending: **12/31/04**

12/31/04

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	1,630	1,917	\$ 92,991	\$ 48.51	1
2	Assistant Director of Nursing	3,878	4,074	127,542	31.31	2
3	Registered Nurses	47,698	52,650	1,556,334	29.56	3
4	Licensed Practical Nurses	12,200	13,296	326,124	24.53	4
5	Nurse Aides & Orderlies	107,191	113,803	1,343,980	11.81	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	10,408	11,606	150,121	12.93	8
9	Activity Director	1,987	2,143	33,736	15.74	9
10	Activity Assistants	16,505	17,317	179,073	10.34	10
11	Social Service Workers	3,973	4,383	78,982	18.02	11
12	Dietician	1,940	2,142	28,267	13.20	12
13	Food Service Supervisor	2,029	2,142	34,065	15.90	13
14	Head Cook	1,996	2,182	26,029	11.93	14
15	Cook Helpers/Assistants	12,117	13,212	111,744	8.46	15
16	Dishwashers	17,724	18,842	121,356	6.44	16
17	Maintenance Workers	1,967	2,219	33,377	15.04	17
18	Housekeepers	38,328	41,388	283,363	6.85	18
19	Laundry	9,292	9,878	61,342	6.21	19
20	Administrator	1,879	2,088	105,270	50.42	20
21	Assistant Administrator					21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	11,376	12,056	176,519	14.64	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	304,118	327,338	\$ 4,870,215 *	\$ 14.88	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	273	\$ 14,982	L1, C3	35
36	Medical Director	Monthly	24,000	L9, C3	36
37	Medical Records Consultant	14	795	L10, C3	37
38	Nurse Consultant	3	406	L10, C3	38
39	Pharmacist Consultant	Monthly	1,200	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	3,467	L11, C3	44
45	Social Service Consultant	180	2,257	L12, C3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	470	\$ 47,107		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$		50
51	Licensed Practical Nurses		N/A		51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		\$		53

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

0036095

Report Period Beginning: 01/01/04

Ending: 12/31/04

Facility Name & ID Number Lexington of Schaumburg

Page 21

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Karen Scales	Administrator	0.00%	\$ 105,270
TOTAL (agree to Schedule V, line 17, col. 1) (List each licensed administrator separately.)			\$ 105,270

B. Administrative - Other

Description	Amount
Management fees (eliminated in column 7)	\$ 1,002,357
TOTAL (agree to Schedule V, line 17, col. 3) (Attach a copy of any management service agreement)	\$ 1,002,357

C. Professional Services

Vendor/Payee	Type	Amount
Altschuler, Melvoin & Glasser LLP	Accounting	\$ 21,569
Amalgamated Bank	Bond Admin Fee	552
American Express Tax & Bus. Svcs.	Accounting	6,561
Avail Corporation	Accounting	28
Freedman, Anselmo & Lindberg	Collections	23,415
Grabowski Law Center, LLC	Collections	740
Serpico, Novelle, Petosino	Legal	3,640
Moody's	Bond Rating Fee	644
Personnel Planners	U/C Consulting	1,432
James Samatas	Legal	192
Carilyn Jeschke	Staffing Consultant	706
See attached Schedule F		26,501
TOTAL (agree to Schedule V, line 19, column 3) (If total legal fees exceed \$2500 attach copy of invoices.)		\$ 85,980

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	\$ 81,573
Unemployment Compensation Insurance	71,337
FICA Taxes	354,604
Employee Health Insurance	167,787
Employee Meals	12,812
Illinois Municipal Retirement Fund (IMRF)*	
401(k) contribution	23,780
Other employee benefits	24,614
Life insurance	4,840
TOTAL (agree to Schedule V, line 22, col.8)	\$ 741,347

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
N/A		
TOTAL		\$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	\$
Advertising: Employee Recruitment	11,863
Health Care Worker Background Check (Indicate # of checks performed)	
Miscellaneous Licenses & Permits	1,675
Miscellaneous Dues & Subscriptions	496
Allocated from management company	971
Less: Public Relations Expense	()
Non-allowable advertising	()
Yellow page advertising	()
TOTAL (agree to Sch. V, line 20, col. 8)	\$ 15,005

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	\$
In-State Travel	
Seminar Expense	2,668
Allocated from management company	4,039
Entertainment Expense	()
(agree to Sch. V, line 24, col. 8)	
TOTAL	\$ 6,707

* Attach copy of IMRF notifications

**See instructions.

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington Health Care Center of Schaumburg, Inc.
 Provider # 0036095
 1/1/2004 to 12/31/2004

Schedule F

XIX. Support Schedules
 C. Professional Services

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
Sachnoff & Weaver	Legal	14,126
Katten, Muchin, Zavis and Rosenman	Legal	1,264
Lanac	Computer Consulting	792
National Datacare	Computer Consulting	1,712
McLeod USA	Computer Consulting	285
Telnet	Computer Consulting	323
eHealth Solutions	Computer Consulting	3,600
AdminaStar Federal	Computer Consulting	396
Answers on Demand	Computer Consulting	2,652
Gigatrend, Inc.	Computer Consulting	195
Information Controls, Inc.	Computer Consulting	1,156
Total Other Professional Services		<u>26,501</u>
Total, Agrees to Schedule V, Line 19, Column 3		85,980
Allocated from management co.		
American Express Tax & Business Services	Accounting	336
Altschuler, Melvoin and Glasser LLP	Accounting	534
Account Temps	Accounting	912
Avail Corporation	Accounting	26
Doris Fischer	Medicaid Billing Consultant	2,348
Gene Whitehorn	Medicaid Billing Consultant	811
Susan Parker, LCSW	DNR Consulting	12
Personnel Planners	U/C Consulting	13
Gilson, Labus and Silverman	Accounting	276
James Samatas	Legal	39
Sachnoff and Weaver	Legal	1,094
ING / Pension Administrators	401 (k) Administration	959
Eric Haider	Consulting	29
Various	Computer Consulting	11,783
Allocated from building partnership		
McCracken, Walsh, de LaVan & Hetler	Legal - related to real estate	
	tax refund	3,809
James Samatas, Attorney at Law	Legal	250
Nonallowable legal fees		
Freedman, Anselmo, & Lindberg	Legal-collection fees	(23,415)
Grabowski Law Center, LLC	Legal-collection fees	(740)
Katten, Muchin, Zavis and Rosenman	Legal-out of period	(1,029)
Reclassifications		
McCracken, Walsh, de LaVan & Hetler	Legal - related to real estate	
	tax refund	(3,809)
Total, Agrees to Schedule V, Line 19, Column 8		<u>80,218</u>

See Accountants' Compilation Report.

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009
1	Painting & decorating	Various 2001	\$ 1,078	3 yrs	\$ 180	\$ 359	\$ 359	\$ 180	\$	\$	\$	\$	\$
2													
3													
4													
5													
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18													
19													
20	TOTALS		\$ 1,078		\$ 180	\$ 359	\$ 359	\$ 180	\$	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Schaumburg

STATE OF ILLINOIS

0036095

Report Period Beginning:

01/01/04

Ending:

Page 23

12/31/04

XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. N/A
- (3) Did the nursing home make political contributions or payments to a political organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 7.5 years
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 63,671 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES X NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO X If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 122,976
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit: on Schedule V. \$ 12,812 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 106
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0%
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

	Salaries	Supplies	Other	Total	Reclass- ifications	Reclassified Total	Adjusted Adjustments	Adjusted Total
1. Dietary	321,461	41,249	14,982	377,692	0	377,692	0	377,692
2. Food Purchase	0	301,889	0	301,889	0	301,889	-12,918	288,971
3. Housekeeping	283,363	35,622	0	318,985	0	318,985	324	319,309
4. Laundry	61,342	22,290	0	83,632	0	83,632	-3,986	79,646
5. Heat and Other Utilities	0	0	208,365	208,365	0	208,365	3,703	212,068
6. Maintenance	33,377	0	125,479	158,856	0	158,856	47,753	206,609
7. Other (specify)*	0	0	0	0	0	0	5,354	5,354
8. Total General Services	699,543	401,050	348,826	1,449,419	0	1,449,419	40,230	1,489,649
9. Medical Director	0	0	24,000	24,000	0	24,000	0	24,000
10. Nursing & Medical Records	3,597,092	218,570	47,194	3,862,856	0	3,862,856	62,539	3,925,395
10a. Therapy	0	0	734,231	734,231	0	734,231	0	734,231
11. Activities	212,809	24,731	3,467	241,007	0	241,007	0	241,007
12. Social Services	78,982	0	2,257	81,239	0	81,239	0	81,239
13. Nurse Aide Training	0	0	0	0	0	0	0	0
14. Program Transportation	0	0	0	0	0	0	0	0
15. Other (specify)*	0	0	0	0	0	0	7,562	7,562
16. Total Health Care & Programs	3,888,883	243,301	811,149	4,943,333	0	4,943,333	70,101	5,013,434
17. Administrative	105,270	0	1,002,357	1,107,627	0	1,107,627	-897,099	210,528
18. Directors Fees	0	0	0	0	0	0	0	0
19. Professional Services	0	0	85,980	85,980	0	85,980	-5,762	80,218
20. Fees, Subscriptions & Promotion	0	0	14,034	14,034	0	14,034	971	15,005
21. Clerical & General Office	176,519	32,080	38,929	247,528	0	247,528	296,397	543,925
22. Employee Benefits & Payroll	0	0	728,535	728,535	0	728,535	12,812	741,347
23. Inservice Training & Education	0	0	915	915	0	915	0	915
24. Travel and Seminar	0	0	2,668	2,668	0	2,668	4,039	6,707
25. Other Admin. Staff Trans	0	0	1,070	1,070	0	1,070	10,391	11,461
26. Insurance-Prop.Liab.Malpractice	0	0	207,226	207,226	0	207,226	4,626	211,852
27. Other (specify)*	0	0	0	0	0	0	45,620	45,620
28. Total General Adminis	281,789	32,080	2,081,714	2,395,583	0	2,395,583	-528,005	1,867,578
29. Total General Administrative	4,870,215	676,431	3,241,689	8,788,335	0	8,788,335	-417,674	8,370,661
30. Depreciation	0	0	76,592	76,592	0	76,592	199,699	276,291
31. Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0
32. Interest	0	0	4,175	4,175	0	4,175	356,792	360,967
33. Real Estate	0	0	0	0	0	0	512,992	512,992
34. Rent - Facility & Grounds	0	0	1,707,060	1,707,060	0	1,707,060	-1,705,568	1,492
35. Rent - Equipment & Vehicles	0	0	8,805	8,805	0	8,805	3,146	11,951
36. Other (specify):*	0	0	0	0	0	0	0	0
37. Total Ownership	0	0	1,796,632	1,796,632	0	1,796,632	-632,939	1,163,693
38. Medically Necessary T	0	0	0	0	0	0	0	0
39. Ancillary Service Cent	0	261,809	0	261,809	0	261,809	0	261,809
40. Barber and Beauty Shop	0	0	23,616	23,616	0	23,616	0	23,616
41. Coffee and Gift Shops	0	0	14,100	14,100	0	14,100	0	14,100
42. Provider Participation	0	0	122,976	122,976	0	122,976	0	122,976
43. Other (specify):*	0	0	127,328	127,328	0	127,328	-127,328	0
44. Total Special Cost Ce	0	261,809	288,020	549,829	0	549,829	-127,328	422,501
45. Grand Total	4,870,215	938,240	5,326,341	11,134,796	0	11,134,796	-1,177,941	9,956,855

	After	
	Operating	Consolidation
General Service Cost Center		
1. Cash on hand and in banks	482,789	488,314
2. Cash - Patient Deposits	0	0
3. Accounts & Notes Recievable	1,591,118	1,591,118
4. Supply Inventory	0	0
5. Short-Term Investments	0	0
6. Prepaid Insurance	76,268	76,268
7. Other Prepaid Expenses	0	0
8. Accounts Receivable-Owner/Related Party	0	0
9. Other (specify):	0	0
10. Total current assets	2,150,175	2,155,700
LONG TERM ASSETS		
11. Long-Term Notes Receivable	0	0
12. Long-Term Investments	33,897	33,897
13. Land	0	229,215
14. Buildings, at Historical Cost	0	5,865,346
15. Leasehold Improvements, Historical Cost	740,985	1,011,302
16. Equipment, at Historical Cost	401,244	1,117,257
17. Accumulated Depreciation (book methods)	-375,783	-3,508,773
18. Deferred Charges	0	0
19. Organization & Pre-Operating Costs	0	0
20. Accum Amort - Org/Pre-Op Costs	0	0
21. Restricted Funds	0	0
22. Other Long-Term Assets (specify):	94,367	94,367
23. other (specify):	0	147,815
24. Total Long-Term Assets	894,710	4,990,426
25. Total Assets	3,044,885	7,146,126
CURRENT LIABILITIES		
26. Accounts Payable	361,694	361,694
27. Officer's Accounts Payable	0	0
28. Accounts Payable-Patients Deposits	0	0
29. Short-Term Notes Payable	400,000	400,000
30. Accrued Salaries Payable	374,419	374,419
31. Accrued Taxes Payable	6,372	6,372
32. Accrued Real Estate Taxes	0	498,000
33. Accrued Interest Payable	0	43,960
34. Deferred Compensation	0	0
35. Federal and State Income Taxes	0	0
36. Other Current Liabilities (specify):	417,112	101,382
37. Other Current Liabilities (specify):	0	0
38. Total Current Liabilities	1,559,597	1,785,827
LONG TERM LIABILITES		
39.Long-Term Notes Payable	0	0
40.Mortgage Payable	0	5,746,250
41.Bonds Payable	0	0
42.Deferred Compensation	0	0
43.Other Long-Term Liabilities (specify):	0	322,208
44.Other Long-Term Liabilities (specify):	0	0
45.Total Long-Term Liabilities	0	6,068,458
46.Total Liabilities	1,559,597	7,854,285
47.Total Equity	1,485,288	-708,159
48.Total Liabilities and Equity	3,044,885	7,146,126

	Balance per Medicaid Trial Balance
1. Gross Revenue - All levels of Care	10,457,133
2. Discounts and Allowances for all Levels	-727,966
Subtotal - Inpatient Care	9,729,167
4. Day Care	0
5. Other Care for Outpatients	0
6. Therapy	1,195,446
7. Oxygen	1,687
Subtotal - Ancillary Revenue	1,197,133
9. Payments for Education	0
10. Other Governmental Grants	0
11. Nurses Aide Training Reimbursements	0
12. Gift and Coffee Shop	18,437
13. Barber and Beauty Care	28,827
14. Non-Patient Meals	106
15. Telephone, Television, and Radio	1
16. Rental of Facility Space	0
17. Sale of Drugs	423,958
18. Sale of Supplies to Non-Patients	0
19. Laboratory	20,601
20. Radiology and X-Ray	11,395
21. Other Medical Services	65,920
22. Laundry	3,986
Subtotal - Other Operating Revenue	573,231
24. Contributions	0
25. Interest and Other Investments Income	24,906
Subtotal - Non-Operating Revenue	24,906
27. Other Revenue (specify):	0
28. Other Revenue (specify):	441
Subtotal - Other Revenue	441
30. Total Revenue	11,524,878
31. General Services	1,449,419
32. Health Care	4,943,333
33. General Administration	2,395,583
34. Ownership	1,796,632
35. Special Cost Centers	426,853
35. Provider Participation Fee	122,976
37. Other	0
40. Total Expenses	11,134,796
41. Income Before Income Taxes	390,082
42. Income Taxes	0
43. Net Income or Loss for the Year	390,082

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